

Extract of Minutes of a regular meeting of the Board of Commissioners of the County of Buncombe, North Carolina held in the Commissioners' Chambers, Buncombe County Courthouse, Asheville, North Carolina, at 4:30 p.m. on December 4, 2007.

A regular meeting of the Board of Commissioners of the County of Buncombe, North Carolina (the "Board") was held in the Commissioners' Chambers, Buncombe County Courthouse, Asheville, North Carolina, at 4:30 p.m. on December 4, 2007 (the "Meeting"), after proper notice, and was called to order by the Chairman, and upon the roll being called, the following members of the Board answered present: \_\_\_\_\_

\_\_\_\_\_

The following members of the Board were absent: \_\_\_\_\_

Also present: \_\_\_\_\_

Commissioner \_\_\_\_\_ introduced the following resolution (the "Resolution"), a summary of which had been provided to each Commissioner, a copy of which was available with the Clerk to the Board and which was read by title:

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF BUNCOMBE, NORTH CAROLINA, AUTHORIZING THE APPROVAL, EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF COUNTY OF BUNCOMBE, NORTH CAROLINA PROJECT DEVELOPMENT FINANCING BONDS; PROVIDING FOR THE SALE OF THE BONDS; SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH THE BONDS ARE TO BE ISSUED; AND PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE BONDS.**

*WHEREAS*, pursuant to Section 158-7.3 of the General Statutes of North Carolina, as amended (the "Development District Act"), the cities and counties of the State of North Carolina are authorized to define a development financing district and to finance public improvements that are part of a development project with the proceeds of project development financing debt instruments, issued under Article 6 of Chapter 159 of the General Statutes of the State of North Carolina (the "Bond Act"); and

*WHEREAS*, on the effective date of the creation of a development financing district and the adoption of a development financing plan by a city or county, the tax assessor of the county in which the district is located determines the base valuation (as defined in the Bond Act) and the Bond Act provides that the amount of *ad valorem* tax revenues resulting from any incremental valuation of the assessed value of taxable property in the district over the base valuation (as adjusted from time to time) with certain exceptions, will be deposited into a revenue increment fund and used (1) to finance capital expenditures (including the funding of capital reserves) by the issuing unit in the development financing district pursuant to the development financing plan; (2) to meet principal and interest requirements on project development financing debt instruments and debt instrument anticipation notes issued for the district; (3) to repay the appropriate fund of the issuing unit for any moneys actually expended on debt service on project development financing debt instruments pursuant to a pledge made pursuant to N.C.G.S.

§159-111(b); (4) to establish and maintain debt service reserves for future principal and interest requirements on project development financing debt instruments and debt instrument anticipation notes issued for the district; and (5) to meet any other requirements imposed by the order authorizing the project development financing debt instruments (collectively, the “*Financeable Costs*”); and

*WHEREAS*, the Board of Aldermen of the Town of Woodfin, North Carolina (the “*Town*”) by resolution duly adopted on November 21, 2006 (the “*Plan Resolution*”), approved a development financing plan (the “*Development Financing Plan*”) for the Development Financing District and established the same; and

*WHEREAS*, the Town and the Board of Commissioners (the “*Board*”) of the County of Buncombe, North Carolina (the “*County*”) held a public hearing on the Development Financing Plan on November 21, 2006;

*WHEREAS*, the under the terms of the Plan Resolution and in compliance with Article 20 of Chapter 160A of the General Statutes of North Carolina, the County has authorized the execution and delivery of an Interlocal Agreement (the “*Interlocal Agreement*”) between it and the Town under which the Town and the County are agreeing to provide assistance to the Development Financing District and the County has agreed to issue bonds; and

*WHEREAS*, the Local Government Commission of North Carolina approved the Development Financing District on March 6, 2007; and

*WHEREAS*, Reynolds Mountain Partners, LLC (the “*Developer*”) is contemporaneously with the issuance of the 2008 Bonds (as defined herein) executing a Minimum Assessment Agreement dated as of January 1, 2008 (the “*Minimum Assessment Agreement*”) among the Developer, the Town and the County under which the Developer is agreeing that the value of the property described therein will be determined in accordance with the Minimum Assessment Agreement; and

*WHEREAS*, the Board has determined to issue not to exceed \$13,800,000 Project Development Financing Bonds (Woodfin Downtown Corridor Development), Series 2008 of the County (the “*2008 Bonds*”) (1) to finance certain roadway, sidewalk, water and sewer infrastructure and other improvements within the Development Financing District (the “*Project*”), (2) to fund a debt service reserve fund, and (3) to pay the costs of issuing the 2008 Bonds; and

*WHEREAS*, the County will issue the 2008 Bonds under the General Trust Indenture dated as of January 1, 2008 (the “*General Indenture*”) between the County and U.S. Bank National Association, as trustee (the “*Trustee*”) and Series Indenture, Number 1 dated as of January 1, 2008 (the “*Series Indenture*”) between the County and the Trustee; and

*WHEREAS*, the County and the Local Government Commission of North Carolina have arranged for the sale of the 2008 Bonds to Wachovia Bank, National Association (the “*Underwriter*”) under the terms of a Bond Purchase Agreement to be dated on or about January 24, 2008 (the “*Purchase Agreement*”);

*WHEREAS*, copies of the forms of the following documents relating to the transactions described above have been filed with the County:

1. the General Indenture;
2. the Series Indenture;

3. the Purchase Agreement;
4. the Preliminary Limited Offering Memorandum to be dated on or about December 19, 2007 (the "*Preliminary Limited Offering Memorandum*") with respect to the 2008 Bonds;
5. the Interlocal Agreement;
6. the Minimum Assessment Agreement; and
7. the Development and Acquisition Agreement dated as of January 1, 2008 (the "*Development Agreement*") among the Developer, the Town and the County.

*NOW THEREFORE, THE BOARD OF COMMISSIONERS OF THE COUNTY OF BUNCOMBE, NORTH CAROLINA DOES RESOLVE AS FOLLOWS:*

*Section 1.* That the issuance of the 2008 Bonds by the County in the principal amount not to exceed \$13,800,000, in substantially the form and content set forth in the Series Indenture, subject to appropriate insertions and revisions in order to comply with the provisions of the General Indenture and the Series Indenture, be and the same hereby are in all respects approved and confirmed, and the form and content of the 2008 Bonds set forth in the Series Indenture be and the same hereby are in all respects approved and confirmed, and the provisions of the General Indenture and the Series Indenture with respect to the 2008 Bonds (including without limitation the maturity dates and rates of interest) be and the same hereby are approved and confirmed and are incorporated herein by reference.

The 2008 Bonds shall be special obligations of the County. The principal of, premium, if any, and interest on the 2008 Bonds shall not be payable from the general funds of the County or the Town, nor shall they constitute a legal or equitable pledge, charge, lien or encumbrance upon any of their property or upon any of their income, receipts or revenues except the funds which are pledged under the Indenture. Neither the credit nor the taxing power of the State of North Carolina, the County or the Town are pledged for the payment of the principal of, premium, if any, or interest on the 2008 Bonds, and no holder of the 2008 Bonds has the right to compel the exercise of the taxing power by the State of North Carolina, the County or the Town or the forfeiture of any of their property in connection with any default thereon.

*Section 2.* That the form and content of the General Indenture and the Series Indenture and the exhibits thereto be and the same hereby are in all respects approved and confirmed, and the Chairman of the Board, the County Manager, the Finance Director and Clerk to the Board of the County be and they hereby are authorized, empowered and directed to execute and deliver the General Indenture and the Series Indenture for and on behalf of the County, including necessary counterparts, in substantially the form and content presented to the County, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of his or her approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the General Indenture and the Series Indenture, the Chairman of the Board, the County Manager, the Finance Director and Clerk to the Board of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the General Indenture and the Series Indenture as executed. The Trustee is hereby appointed as Registrar and Paying Agent thereunder.

*Section 3.* That the 2008 Bonds shall be sold to the Underwriter pursuant to the terms of the Purchase Agreement. The form and content of the Purchase Agreement is in all respects approved and confirmed, and any of the Chairman of the Board, the County Manager or the Finance Director of the County is hereby authorized, empowered and directed to execute and deliver the Purchase Agreement for and on behalf of the County, including necessary counterparts, in substantially the form and content presented to the County, but with such changes, modifications, additions or deletions therein as shall to him or her seem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of his or her approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Purchase Agreement, the Chairman of the Board, the County Manager and the Finance Director of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Purchase Agreement as executed.

*Section 4.* The form and content of the Preliminary Limited Offering Memorandum are in all respects authorized, approved and confirmed, and the use of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum to be dated on or about December 19, 2007 (the "*Limited Offering Memorandum*") by the Underwriter in connection with the sale of the 2008 Bonds is hereby in all respects authorized, approved and confirmed. Any of the Chairman of the Board, the County Manager or Finance Director of the County is authorized to execute the Limited Offering Memorandum on behalf of the County.

*Section 5.* That the form and content of the Interlocal Agreement, the Minimum Assessment Agreement and the Development Agreement are each in all respects authorized, approved and confirmed and the Chairman of the Board, the County Manager, the Finance Director and Clerk to the Board of the County be and they hereby are authorized, empowered and directed to execute and deliver the Interlocal Agreement, the Minimum Assessment Agreement and the Development Agreement for and on behalf of the County, including necessary counterparts, in substantially the form and content presented to the County, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of his or her approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Interlocal Agreement, the Minimum Assessment Agreement and the Development Agreement, the Chairman of the Board, the County Manager, the Finance Director and Clerk to the Board of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Interlocal Agreement, the Minimum Assessment Agreement and the Development Agreement as executed.

*Section 6.* Each of the County Manager or Finance Director of the County is hereby authorized to execute a no-arbitrage certificate in order to comply with Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder.

*Section 7.* No stipulation, obligation or agreement herein contained or contained in the 2008 Bonds, the General Indenture, the Series Indenture, the Purchase Agreement or any other instrument related to the issuance of the 2008 Bonds shall be deemed to be a stipulation, obligation or agreement of any officer, agent or employee of the County in his or her individual capacity, and no such officer, agent or employee shall be personally liable on the 2008 Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

*Section 8.* The Chairman of the Board, the County Manager, the Finance Director and the Clerk to the Board of the County, and their designees, are hereby authorized, empowered and directed to

do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate in order to consummate the transactions contemplated by (1) this Resolution and the Bond Order, (2) the General Indenture, (3) the Series Indenture, and (4) the documents presented at this meeting; except that none of the above shall be authorized or empowered to do anything or execute any document which is in contravention, in any way, of (a) the specific provisions of this Resolution or the Bond Order, (b) the specific provisions of the General Indenture or the Series Indenture, (c) any agreement to which the County is bound, (d) any rule or regulation of the County or (e) any applicable law, statute, ordinance, rule or regulation of the United States of America or the State of North Carolina.

*Section 9.* The Chairman of the Board, the County Manager, the Finance Director and the Clerk to the Board of the County are hereby authorized and directed to prepare and furnish, when the 2008 Bonds are issued, certified copies of all the proceedings and records of the Board relating to the 2008 Bonds, and such other affidavits, certificates and documents as may be required to show the facts relating to the legality and marketability of the 2008 Bonds as such facts appear on the books and records in such party's custody and control or as otherwise known to them; and all such certified copies, certificates, affidavits and documents, including any heretofore furnished, shall constitute representations of the County as to the truth of all statements contained therein.

*Section 10.* All acts and doings of the Chairman of the Board, the County Manager, the Finance Director and the Clerk to the Board of the County that are in conformity with the purposes and intents of this Resolution and in the furtherance of the issuance of the 2008 Bonds and the execution, delivery and performance of the Series Indenture and the Purchase Agreement shall be, and the same hereby are, in all respects approved and confirmed.

*Section 11.* If any one or more of the agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such agreements or provisions shall be null and void and shall be deemed separable from the remaining agreements and provisions and shall in no way affect the validity of any of the other agreements and provisions hereof or of the 2008 Bonds authorized hereunder.

*Section 12.* All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

*Section 13.* This Resolution shall take effect upon its adoption.

On motion of Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, the foregoing resolution entitled **“RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF BUNCOMBE, NORTH CAROLINA, AUTHORIZING THE APPROVAL, EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF COUNTY OF BUNCOMBE, NORTH CAROLINA PROJECT DEVELOPMENT FINANCING BONDS; PROVIDING FOR THE SALE OF THE BONDS; SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH THE BONDS ARE TO BE ISSUED; AND PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE BONDS”** was duly adopted by the following vote:

AYES:

NAYS:

*PASSED, ADOPTED AND APPROVED* this 4th day of December, 2007.

STATE OF NORTH CAROLINA            )  
  )  
COUNTY OF BUNCOMBE                )            SS:

I, *Kathy Hughes*, Clerk to the Board of Commissioners of the County of Buncombe, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a resolution entitled **“RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF BUNCOMBE, NORTH CAROLINA, AUTHORIZING THE APPROVAL, EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF COUNTY OF BUNCOMBE, NORTH CAROLINA PROJECT DEVELOPMENT FINANCING BONDS; PROVIDING FOR THE SALE OF THE BONDS; SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH THE BONDS ARE TO BE ISSUED; AND PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE BONDS”** adopted by the Board of Commissioners of the County of Buncombe, North Carolina at a meeting held on the 4<sup>th</sup> day of December, 2007.

***WITNESS*** my hand and the seal of the County of Buncombe, North Carolina, this the 4th day of December, 2007.

[Seal]

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Kathy Hughes  
Clerk to the Board of Commissioners  
County of Buncombe, North Carolina